



## INSPECTOR GENERAL REPORT

2005-08-0406

April 17, 2007

### TRAVEL MANAGEMENT OFFICE AIR-FLIGHT APPROVALS

*Inspector General David O. Thomas and Staff Attorney Amanda Schaeffer, after an investigation by the State Board of Accounts, reports as follows:*

This investigation addressed the use of state air travel services by non-state employees. All business travel by state employees seeking state travel reimbursement must be reviewed and approved by the Travel Management Office (TMO), an entity within the Department of Administration (DOA). The TMO has contracted with a private entity, Carefree Travel Service (Carefree), to arrange and book air travel for state employees, subject to approval by TMO.

#### I.

The State Board of Accounts (SBOA) and Office of the Inspector General (OIG) became aware that former state employees and family members accompanying state employees were making reservations through Carefree and the TMO office.

Carefree charges the state by the volume of persons using their service in arranging air flights. Carefree's fees to the state increase with the volume of persons it books on air flights for state travel. With the addition of these non-state employees using the Carefree service, the state was being charged a higher fee due to the higher volume.

It is stressed that the investigation found that the non-state employees were paying for their own air travel. It was only the booking of the non-employees' air flights through Carefree so that family members could travel together which increased the volume and permitted Carefree to charge the higher rate for its booking services.

In addition to the financial impact to the state, the use of state services by non-state employees also invokes 42 IAC 1-5-12 of the Indiana Code of Ethics, which states, "A state officer, employee or special state appointee shall not make use of state materials, funds, property, personnel, facilities or equipment for any purpose other than for official state business unless the use is expressly permitted by a general written agency, departmental or institutional policy or regulation."

Employees of TMO and Carefree were interviewed to verify this information and documentation showing these air flights was also collected and examined.

## II.

The OIG has jurisdiction over these issues by being charged by the Indiana Legislature to address fraud, waste, abuse and wrongdoing in state agencies. I.C. 4-2-7-2(b). The OIG is also responsible for investigating violations of the Indiana Code of Ethics. IC 4-2-7-3(1).

## III.

This information was presented to the DOA with the recommendation that only current state employees use the Carefree service for air travel or that a written policy be developed which authorizes the use of the service by non-state employees.

On October 21, 2005, the Department of Administration (DOA) complied with the recommendation and issued a policy relating to the use of Carefree. The policy reads as follows:

The state travel agent [Carefree] may only be used by current state employees who are conducting state business and have received travel approval. If a state employee is accompanied by a non-state employee while traveling on state business, the travel agent may make reservations to accommodate both parties with written approval from the agency supervisor. The travel agent may make extended-stay reservations for a current state employee.

The DOA policy has addressed both OIG concerns. Potential violations of 42 IAC 1-5-12 have been addressed by the adoption of an agency policy which responds to the ethics rule requirement.

Although difficult to measure, the financial impact to the state should also be lessened by adding the control of the approval by the agency supervisor. At a minimum, approval by the agency supervisor adds an additional check and balance to potential abuse. Should the cost to the state increase dramatically by continuing to allow family members to book their air travel through the state service and accompany state employees on state business (at the non-state employee's own cost) this issue may always be examined in the future.

The OIG has left this investigation open after the issuance of the October 21, 2005 policy to observe reactions and whether issues arose with its implementations. No further complaints having been made, this investigation is closed.

Dated this 16<sup>th</sup> day of April, 2007.



---

David O. Thomas, Inspector General